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TEACHERS'
PENSION PLAN

PENSION

INFORMATION FOR RETIRED TEACHERS AND THEIR SURVIVORS

NEWS

FALL 2012

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A photograph of a teacher and a student in a classroom. The teacher, a woman with short blonde hair, is smiling and looking towards the camera. She is wearing a red and white striped shirt over a purple turtleneck. A young girl with dark hair is sitting in front of her, resting her chin on her hands and looking down. In the background, there are classroom decorations, including a chart with numbers and a sign that says "O.P.E. 63".

**NEW Re-employment
rules are in effect**

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TEACHERS' LAUNCHES INTO SOCIAL MEDIA FOR MEMBERS

- Teachers' has a new community. It allows members to share information, engage with us and fellow educators, and keep up-to-date with plan news – anytime, anywhere.

'Like' your pension plan! • Find us on Facebook at www.facebook.com/myOTPP

With the launch of our Facebook page, members have begun to discover the quick facts, videos and polling features www.facebook.com/myOTPP delivers. New re-employment rules, survivor benefits, and inflation are a few of the topics we'll explore through this interactive and engaging platform.

"We know that social media is an important channel for our members," says Neil Murphy, Director of Member Communications. "We're excited about being able to talk with them on Facebook. It's just one more way for us to hear what's on members' minds, so that we can constantly improve our service."

Members have responded to our page with lots of support and enthusiasm. But, a few have asked if 'liking' the page is mandatory, if they'll still receive information through newsletters and www.otpp.com, and if the page will be used to address questions about their personal accounts. With those questions in mind, here are three key points concerning www.facebook.com/myOTPP

1 You are not obligated to 'like' Teachers'. Many members told us they would like to interact with Teachers' and fellow educators, so we created the page in response. It is entirely up to you if you would like to participate in the dialogue.

2 If you decide not to join our Facebook community, you'll still receive all news and information through our newsletters and www.otpp.com. But keep in mind that with Facebook, we can interact, instead of us just telling you what's happening.

3 The information posted on Facebook is also available on www.otpp.com and in our newsletters, it is not private or confidential. To protect members' privacy, we ask those with questions specific to their benefits and accounts to call us or log in to iAccess Web, our secure member website.

Turn the page for an
infographic that will help you
navigate the new rules.

NEW RE-EMPLOYMENT RULES ARE IN EFFECT

Unsure if rules apply? You should always contact us before you begin working after retirement to determine if the service you are providing counts as re-employment.

With the arrival of September, our thoughts inevitably turn to back-to-school. For those of you thinking about returning to work in education, Sept. 1 also signalled the date new re-employment rules took effect.

Here are some FAQs (and answers) to help you understand how the rules might affect you.

What's the new limit?

Under the new rules, the limit is 50 days per school year.

How is this different from the old rules?

Prior to Sept. 1, 2012, you could work in education after retirement for up to 95 days for the first three school years in which you returned to work. Once you worked for 95 days in three school years, the limit dropped to 20 days for each subsequent school year. Under the new rules, there is one limit: 50 days, regardless of how many years you have been working in education after retirement.

What happens if I work more than 50 days?

If you reach your 50-day limit, and you plan to continue working in education beyond the end of the month in which you exceed the limit, we will suspend your pension until you stop working.

Who notifies Teachers' once I exceed my 50-day limit?

It's your responsibility to keep track of the number of days you work in education after retirement, and to notify us immediately if you plan to work after the month in which you exceed the limit. You do not need to notify us if you don't plan to work more than 50 days in the school year.

Remember, if you fail to notify us that you're working beyond the month in which you exceed the 50-day limit, you will have to pay back any pension payments you were not entitled to receive, with interest.

What counts as re-employment?

Your work after retirement is subject to re-employment rules if you:

- work for an employer that participates in the pension plan;
- work as a teacher for an Ontario government ministry, for the Toronto and Region Conservation Authority, or under an authorized exchange program (including, but not limited to, tutor, principal, librarian, or other supervisory officer positions); or
- work as a volunteer in a position that would normally be held by a paid employee.

What about self-employment or third party arrangements?

Not all pensioners work directly for employers who participate in the plan. If you have made self-employment or third-party arrangements to work after retirement and are unsure if the work is subject to re-employment rules, ask yourself these questions:

- Are the services you provide normally provided by an employee of the participating employer?
- Does a participating employer assign and control your duties?

If you answer 'yes' to either of the above, then your work after retirement is likely subject to re-employment rules.

I'm teaching part-time at a local college. Do the rules still apply?

There are unique re-employment guidelines if you work at faculties of education at Ontario universities, Ontario colleges, Ryerson University and ministries of the Ontario government after you retire. Please contact us for more information.

Want More?

Visit www.otpp.com/reemployment for information on re-employment rules



Navigating the NEW Re-employment Rules

DIRECT
ROUTE

DIRECT EMPLOYMENT:

You are paid directly by an employer who participates in the pension plan.

INDIRECT
ROUTE

INDIRECT EMPLOYMENT:

You are self-employed or work for a third party where you provide services to an employer who participates in the pension plan.



LIMIT
50
DAYS

NEW
LIMIT



You can work until the end of the month in which you exceed the 50-day limit without interrupting your Teachers' pension.

GOING OVER
THE LIMIT



If you work after the month in which you exceed the 50-day limit, you must notify us immediately, and we will suspend your pension. If you fail to notify us, you will be required to pay back any pension payments you were not entitled to receive, with interest.

DIRECT
ROUTE

INDIRECT
ROUTE



1. You are required to keep track of the number of days you've worked.

2. If you are unsure whether or not the service you are providing is considered re-employment, call us.

RE-EMPLOYMENT: *Rules Apply*

Services normally assigned and controlled by participating employer.

Examples:
strategic planning,
material design,
program development

EXIT

Services normally performed by employees at participating employer.

Examples:
teaching, principals,
professional development
(i.e., training, mentoring)

EXIT

NOT RE-EMPLOYMENT: *Rules Do Not Apply*

Services provided to a participating employer by publicly-elected officials.

Examples:
school trustee,
Ontario College of Teachers
council member

Individual, personal services not normally performed by employees at participating employer.

Examples:
caterer, bookseller,
landscaper

EXIT

EXIT



Sandra Mark and Lynne Hill, good friends and retired teachers from the Rainbow District School Board.

LIFE AFTER SCHOOL

Two friends chat about their experiences transitioning to retirement.

For teachers, gearing up and preparing for the first week of September is a ritual they've practiced for most of their lives: from the time they were small children and students themselves. When a teacher retires, and that first day of school rolls around, what can they expect?

Lynne Hill and Sandra Mark became good friends when they taught together for 11 years at Queen Elizabeth Public School in Sudbury. As it so happens, they also retired in the same year, roughly 15 years ago.

Sitting in Lynne's living room, they chat over cups of coffee about how they transitioned from teaching full-time to a retired life.

"On the first day of school after I retired, my husband George woke me up and told me we were going to go out. He knew if I stayed home, I would feel like I should be doing something," says Lynne. "So, we went shopping, we had lunch, we kept busy."

Sandra admits it was hard seeing the big yellow buses roll by her window too, "but a couple of months later, when the snow piled up to the window of my car, I was so happy to not have to shovel it out," she laughs.

Lynne and Sandra both admit that even now, when August rolls around, they still get bursts of energy to finish projects around the house before September comes.

"You feel like your world is off-kilter for the first few months," Lynne adds. "For us, the new year has always started in September. It's been ingrained as a part of life's rhythm, and when that changes, you feel like you should be doing something. It takes a while to get over that first September."

The key is to start thinking about what you want to do *before* you retire. "Whether it's coaching kids' sports, volunteer work, or developing a new hobby, try it out," stresses Lynne. "If you don't like it, try something else until you find something you like to do. This will give purpose to the day."

Sandra nods, adding that being an educator doesn't stop when the pension starts. "As a teacher, it doesn't matter if you're working or not, you're always learning new things." She learned to quilt in the year before she retired. Since then, both she and Lynne have joined a local arts guild and continue to develop and master new skills.

"Just think of the quilting we've learned to do!" Sandra says to Lynne.

"And the amount of money we've spent on fabric," Lynne chuckles. "The financial reality is your take-home pay will be less than when you were working. But, don't forget that you'll be in a lower tax bracket."

Sandra adds that expenses tend to change in retired life. "My husband and I realized we only needed one vehicle. I was scared to give up my car, but it's been okay."

"And generally mortgages are paid off, and kids are usually through school. Your income drops, but your expenses do too. I saved a lot of money on stockings and gas when I retired," Lynne laughs.

"I didn't find a diminishment in how I lived with my pension. I do all the same things that I did before and I spend a lot more money on fabric," Sandra says.

Want More?

Want to see the smiles of members who retired this year? Visit the Interactive section of www.otpp.com/pensionnewsonline for our First Day of Retirement photo essay.

ONLINE BRIEFS

Have you visited www.otpp.com/pensionnewsonline yet? Here is a sneak peek at some of the original content Pension News Online offers.



35%
INCREASE

Retirement Season in Review

In June, Teachers' saw a 35% increase in the number of retirements. With an increasing number of members applying for pension, we've tried to simplify and personalize the process. Suzanne Burchell, a recently retired drama teacher, tells us about her experience.

[www.otpp.com/pensionnews
online/retirementinreview](http://www.otpp.com/pensionnews online/retirementinreview)



First Day Photo Essay

More than 3,600 members retired this summer. We asked those starting their pension to share a photo of themselves enjoying this new-found freedom with us. With their submissions, we created an interactive photo essay that allows you to share their excitement.

[www.otpp.com/pensionnews
online/firstdayphotoessay](http://www.otpp.com/pensionnews online/firstdayphotoessay)



Teachers' Service Ranked #1 in the World

CEM Benchmarking Inc. has given Teachers' pension service top rank among international and North American pension systems. This is the third time we've earned the #1 spot among our North American peers, and the second time we've ranked #1 overall.

[www.otpp.com/pension
news online/cembenchmark](http://www.otpp.com/pensionnews online/cembenchmark)



Plan Funding Update

The pension plan began 2012 in a shortfall position. A preliminary funding valuation showed the plan's long-term costs are projected to exceed its assets. An important assumption used to project costs is the rate of return, also called the "discount rate." A recent Hearing Officer review concluded that it is within a reasonable range.

[www.otpp.com/pension
news online/fundingupdate](http://www.otpp.com/pensionnews online/fundingupdate)

Overheard on Facebook

In July, Teachers' launched its Facebook page, www.facebook.com/myOTPP.

Here are some highlights from our first few weeks:

 Members were quizzed about what is integrated with their Teachers' pension. Roughly 40% of the members who posted a response knew the right answer – that CPP, not Old Age Security, is integrated with your Teachers' pension.

When quizzed on the new re-employment rules, Teachers' members got a solid 'A.' Each respondent knew that a member can work to the end of the month in which they exceed the 50-day limit, without interrupting their Teachers' pension.



Members also shared memories from when computers were first introduced to their classrooms. One member lamented that a simple word processing program took nearly eight minutes to load on the Commodore PET in his classroom, while another marvelled at the whopping 4,000 bytes of RAM her machine came equipped with.

Conversation also turned to the inevitable 'back to school.' One retired member admits that a tear rolls down his cheek each year as he watches the kids head off to school on the first day.

Another member shared how her second career as a photographer has allowed her to reconnect with former students when she snaps shots of their weddings and babies.

NEWS BRIEFS

Norwegian apparel brand comes into Teachers' fold

Teachers' acquired a majority ownership stake in Helly Hansen Group AS, an iconic Norwegian designer and marketer of high-performance outdoor apparel.

Terms of the transaction have not been disclosed. Altor Fund II will retain a 25% equity stake in the company, with Teachers' acquiring the other 75%.

Helly Hansen is based in Oslo, with approximately 500 employees. In 2011, the company had revenues of roughly C\$265 million.

"We see excellent opportunities to continue growing revenues and international awareness outside the core European markets," said Jo Taylor, Teachers' Private Capital's Vice-President and head of Teachers' London office. "Management has a clear and compelling vision for the business and we look forward to supporting their efforts to build a global success story."

Teachers' makes first direct investment in South Korea

Teachers' acquisition of a 9.9% stake in Kyobo Life Insurance Co. Ltd., marks our first direct investment in Korea.

The investment is worth approximately US\$400 million.

Kyobo Life, a privately-held company, is the third-largest insurer in South Korea and is headquartered in Seoul. It offers a broad range of life insurance products to its 4.5 million retail customers.



iAccess Web launches 'Log in to Win'

iAccess Web, our secure member website, is celebrating its 10th anniversary by offering members a chance to win some great prizes. Just log in and take our quiz. Once you get all of the answers right, you'll be entered into a draw for a 32GB Wi-fi iPad, an official Marlies jersey, a Kobo Touch eReader, or one of four \$50 Cadillac Fairview shop! cards.

Pension News is published for members of the Ontario Teachers' Pension Plan.

We appreciate your comments about anything you read in *Pension News*. Please e-mail: member_communications@otpp.com

This newsletter does not create any right to benefits. Your entitlements and those of your survivors are and will be governed by the language of the pension plan text. The information contained in this newsletter is not intended to be relied upon in relation to any particular circumstance.

Ce bulletin est disponible également en français.

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